

VZCZCXRO8907
PP RUEHFK RUEHKSO RUEHNAG RUEHNH
DE RUEHKO #0827/01 0470137
ZNR UUUUU ZZH
P 160137Z FEB 06
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 8692
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC//J5//
RHHMUNA/HQ USPACOM HONOLULU HI
RHHMHBA/COMPACFLT PEARL HARBOR HI
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//
RHMFIUU/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUEHNH/AMCONSUL NAHA 7281
RUEHFK/AMCONSUL FUKUOKA 4636
RUEHOK/AMCONSUL OSAKA KOBE 7719
RUEHNAG/AMCONSUL NAGOYA 4710
RUEHKSO/AMCONSUL SAPPORO 5837
RUEHBJ/AMEMBASSY BEIJING 0623
RUEHUL/AMEMBASSY SEOUL 6816
RUCNDT/USMISSION USUN NEW YORK 8878

UNCLAS SECTION 01 OF 14 TOKYO 000827

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST
DIVISION; TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS
OFFICE; SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY
ADVISOR; CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 02/16/06

Index:

- 1) Top headlines
- 2) Editorials
- 3) Prime Minister's daily schedule

Defense issues:

- 4) In US breakdown of expenses for \$7.6 billion move of Marines from Okinawa to Guam, 60% will go for housing
- 5) US explanation of cost of Marine relocation deemed insufficient to achieve understanding
- 6) Iwakuni mayor says fate of USFJ realignment plan for base rests on the referendum in March
- 7) GSDF to start pulling out of Iraq next month, fully out by May
- 8) Expectations in Samawah that GSDF would continue its support, but some residents loudly welcome the troop withdrawal
- 9) US Navy sending four carriers to Asia-Pacific from June with China in mind
- 10) Tokyo will observe new Palestinian government carefully before deciding how to proceed with its aid
- 11) China rebuts "China as threat" argument
- 12) Prime Minister Koizumi says it was only natural for him to send a message to DPRK leader Kim Jong Il

Beef battle:

- 13) Prime Minister Koizumi tells Lower House committee he is waiting for US reply before deciding to restart US beef imports
- 14) BSE deliberations in the Lower House more cautious than before
- 15) Text of exchanges on beef issue in yesterday's Lower House Budget Committee
- 16) Japan to inspect 38 US beef packers
- 17) LDP, Minshuto (Democratic Party of Japan) engage in bitter exchanges over whether plant they both separately saw in US was safe or dangerous
- 18) Six major banks register final business figures totaling 2.8 trillion yen, the best performances in 17 years

Political agenda:

- 19) Koizumi bullish on support rate, points to two months of high figures
- 20) LDP to write another draft constitution reconsidering wording of Preamble and Article 9
- 21) Komeito changing policy line toward national referendum on Constitution'
- 22) LDP rookie baseball team to take on US Embassy

Articles:

1) TOP HEADLINES

Asahi:

More than 20,000 national public employees land jobs with 3,900 state-affiliated organizations

Mainichi:

TOKYO 00000827 002 OF 014

GSDF to start withdrawing from Iraq next month and completing withdrawal at end of May, ASDF to remain; final coordination underway with US, Britain

Yomiuri:

Housing to be 60% of 7.6-billion-dollar cost of relocating US Marines from Okinawa to Guam; Japan calls for more precise figures

Nihon Keizai:

Six major banks likely to post record 2.6 trillion yen in combined net profit for first time in 17 years

Sankei:

Four JAL board members call on president to resign

Tokyo Shimbun:

LDP constitutional research panel to formulate second draft constitution

2) EDITORIALS

Asahi:

- (1) We are not wild with joy over opening of Kobe Airport
- (2) China must allow more freedom of press

Mainichi:

- (1) Japan, too, should field its own candidate in UN general secretary race

SIPDIS

- (2) Government should provide Japanese children left behind in China during war with assistance so that they can live in Japan with peace of mind

Yomiuri:

- (1) Influence of Japan Medical Association weakened
- (2) 20-year prison sentence for hit-and-run deaths is heavy punishment

Nihon Keizai:

- (1) A system for beyond the Kyoto Protocol should be created
- (2) Policy shift needed following the opening of Kobe Airport

Sankei:

- (1) Reform of medical fee system: Medical care system should be improved for patients
- (2) Kobe and Itami airports should find ways for co-existence

Tokyo Shimbun:

- (1) Views of patients indispensable for medical reform
- (2) The government must offer warm-hearted measures to women left in China

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, February 14

NIHON KEIZAI (Page 2) (Full)
February 16, 2006

10:02

Met with Deputy Chief Cabinet Secretary Nagase.

TOKYO 00000827 003 OF 014

11:45

Attended a gathering to express appreciation to former lawmakers in commemoration of the 50th anniversary of the foundation of the LDP at Hotel Okura.

11:57

Arrived at the Prime Minister's Official Residence (Kantei).

13:00

Lower House Budget Committee session

17:15

Met with Policy Research Council Chairman Nakagawa at the Kantei. Then attended a meeting of the Council on Economic and Fiscal Policy.

19:03

Arrived at official residence.

4) US estimates cost of moving Marines from Okinawa to Guam will cost 7.6 billion dollars, of which 60% will be for housing; Japan seeks to check numbers

YOMIURI (Top play) (Excerpts)
February 16, 2006

The US government, in connection with the cost of relocating US Marines on Okinawa to Guam as part of the realignment of US forces in Japan, has announced the outline of the estimate it has given to the Japanese government. The total cost for the move will come to approximately \$7.6 billion (or 813.2 billion yen using a conversion rate from the fiscal 2005 budget). Of this, expenditures related to housing construction occupy 60% of approximately 4.7 billion dollars (or approx. 502.9 billion yen). The troops being relocated total more than 7,000 personnel. The US has asked Japan to bear fiscally as much as possible of the 7.6 billion dollar expense, but Japan has stressed the basis for the estimate is insufficient, and there needs to be a check of the contents."

The outline of the relocation expenditures was presented by the US during the senior working level talks between Japan and the US in Tokyo.

5) Huge US Marine relocation cost requires thorough explanation; US cooperation essential for winning public understanding

YOMIURI (Page 4) (Full)
February 16, 2006

Commentary

The relocation of a large portion of the US Marines from Okinawa to Guam is a key element in measures to reduce the burden on Okinawa. In response to Japan's repeated requests, the United States has finally presented to Japan an estimated cost of 7.6 billion dollars (813.2 billion yen based on the fiscal 2005 exchange rate). But many Japanese officials remain skeptical, with one saying, "The US seems to have come up with the figure in order to build a new Marine base in Guam."

Although there are US Navy and Air Force bases in Guam and about
TOKYO 00000827 004 OF 014

3,000 US military personnel are stationed there, there are no Marine facilities on the island. The relocation of US Marines to Guam means constructing a large base there. The US has asked Japan to bear a portion of the cost, saying, "If the US was to carry out the relocation independently, it would take 20 years, but with Japan's assistance, it would be completed in just six years or so."

If Japan accepts the US request, it will be the first case for the government to provide financial assistance to build US military facilities outside Japan. Such a step forcing a huge financial burden on the public requires a close examination of the need to provide financial assistance.

At present, there is no legislation governing Japan's financial assistance for building US military facilities. The Foreign Ministry and Defense Agency plan to reach a cabinet decision on legislative and fiscal steps after producing a final report in March in order to adopt the necessary legislation during the current Diet session for concluding an agreement with the US. To that end, the government needs to know how the US has come up with such a huge cost. A senior Defense Agency official said: "At present, a breakdown of the costs is not clear, and we cannot consult with the Finance Ministry. The US does not work out costs as meticulously as Japan."

In order to alleviate Okinawa's burden with Japan's public understanding, the US needs to show a more cooperative stance.

6) Iwakuni mayor conveys his decision to hold referendum

NIHON KEIZAI (Page 2) (Full)
February 16, 2006

Katsusuke Ihara, mayor of Iwakuni, Yamaguchi Prefecture, yesterday met with Defense Policy Bureau Deputy Director General Hironori Kanazawa at the Defense Agency. During the meeting, Ihara conveyed to Kanazawa his decision to hold a referendum in March to determine whether or not to accept the transfer of carrier-borne jets to Iwakuni US Marine Corps Air Station, a plan adopted as part of the realignment of US forces in Japan. Kanawaza explained that the US military also wanted to relocate tankers to Iwakuni, though they are, according to the current plan, to be relocated to the Air Self-Defense Force Kanoya Base in Kagoshima Prefecture, to Iwakuni.

7) Japan troops to pull out of Iraq next month

MAINICHI (Top play) (Full)
February 16, 2006

Japan will begin to withdraw Ground Self-Defense Force troops currently deployed in the southern Iraqi city of Samawah in March and plans to complete the pullout of all Samawah-based GSDF personnel by the end of May, government sources said yesterday. The government has now entered into the final phase of coordination with the United States, Britain, and other countries. Iraq will launch a permanent government under its new constitution, but the inauguration is likely to be delayed into April or afterward. Meanwhile, however, Britain and Australia, currently tasked with public security in Samawah, have already announced that their troops will pull out of Iraq even before the

new government is established, citing the restoration of safety in Iraq's southern districts. The GSDF will also pull out with the British and Australian troops. The Air Self-Defense Force has been conducting airlift missions between Kuwait and Iraq's southern areas. The government would like to obtain US understanding for the GSDF's planned withdrawal from Iraq with a plan to continue ASDF airlift operations for other Iraq-based multinational force members after June.

Last December, the government modified its Iraq deployment masterplan, which is based on the Iraq Special Measures Law. The government then extended the current deployment for another year through December 2006. At the time, the government noted in the revised masterplan that it would take into account operations conducted by Britain, Australia, and other multinational force members, as well as changes in the multinational lineup. The government has already decided to recall the Samawah-based GSDF contingent along with the British and Australian troops. On Jan. 23, there was a four-party meeting in London of working-level officials from Japan, the United States, Britain, and Australia. In that meeting, the British government clarified a plan to scale back on its Iraq-deployed troops in favor of sending reinforcements to Afghanistan. The Japanese government then decided to withdraw the GSDF troops by the end of May, and the government yesterday sent Foreign Ministry and Defense Agency officials to the United States, Britain, and other countries for final coordination.

The GSDF's Samawah deployment began two years ago, and about 600 GSDF members are engaged in humanitarian reconstruction assistance, such as road repairs. The United States wants the GSDF to stay on in Iraq. The US government has therefore sounded out Japan about the possibility of keeping GSDF troops in Iraq for participation in a provincial reconstruction team (PRT) consisting of armed forces and civilians. However, the PRT is likely to undertake security operations, such as escorting civilian personnel. For this reason, Defense Agency Director General Fukushima Nukaga rejected the proposal as "legally difficult" when he visited the United States last month.

The ASDF-currently basing about 200 troops in Kuwait for airlift missions-shuttles to and from Taril Airport near Samawah. In case the ASDF continues its airlift operations after the GSDF's withdrawal from Iraq, the United States will ask the ASDF for airlifts to other airports. The ASDF's deployment will be clearly characterized as rear-echelon support for the US-led multinational force.

8) Samawah citizens call for extended SDF mission, but some loudly welcome planned withdrawal

MAINICHI (Page 3) (Abridged slightly)
February 16, 2006

Muneo Takahashi, Cairo

In response to interviews by the Mainichi Shimbun, many citizens in the southern Iraqi city of Samawah, where Ground Self-Defense Force troops are deployed, expressed their hopes for the postponement of the planned withdrawal of the Japanese troops and continued assistance. At same time, some citizens who have not received any direct benefits from the SDF's reconstruction

assistance welcomed Japan's decision to pull out troops, one saying, "Has the SDF done anything for us?"

A 36-year-old engineer in Samawah called for an extension of the SDF mission in Iraq, saying:

"The relationship between citizens here and the SDF is not just friendship. They are like our families. We will miss them terribly. I believe the deployment of the SDF will lead to

Japanese firms' operations in the city in the future. I don't want to think Japan's assistance will end with (the withdrawal of the SDF). I'm afraid that even if Japan's assistance continues, corruption might spread."

His words were tinged with worry that corruption would persist once Japanese supervisors are gone.

A 26-year-old unemployed construction worker noted:

"SDF activities were mostly simple work. Iraqi workers could have done such work. I want the Japanese government to send us engineers and equipment instead of troops."

A tribal chief, 64, complained:

"We have guaranteed the safety of the SDF, and not a single SDF member has been injured as a result. The SDF made huge promises, but they failed to deliver them."

9) US Navy to conduct Pacific drills with China in mind, starting in June

SANKEI (Page 2) (Full)
February 16, 2006

Washington, Takashi Arimoto

The US Navy will conduct large-scale exercises in Pacific waters from June through August with four aircraft carriers on stage, US Navy Pacific Fleet Commander Adm. Roughead said in Washington on Feb. 14. The US Department of Defense released a "Quadrennial Defense Review (QDR)" report on Feb. 3, in which the Pentagon sets forth a plan to reinforce carrier battle groups in the Pacific region with China's naval buildup in mind. The naval training planned this time also seems linked to the United States' policy of attaching importance to the Pacific. The US Navy has not revealed the names of aircraft carriers participating in the drills. However, the planned training exercises in the Pacific with a total of four flattops are the largest scale ever in the past decade, the Pentagon says.

According to US Navy officials, the training exercises will be carried out in Pacific waters, including areas off Hawaii. In June, the US Navy will kick off drills with three aircraft carriers participating. In July, the US Navy will carry out this year's Rim of the Pacific (RIMPAC) exercises with one flattop in convoy. In August, two carriers, including one homeported on the East Coast, will come around to participate in the exercises.

"China is not a threat," the commander said. However, he called for China to heighten the transparency of its ongoing naval modernization, saying its intent is unclear in many aspects.

TOKYO 00000827 007 OF 014

In addition, the commander revealed a plan to deploy the USS Shiloh, an Aegis-equipped cruiser loaded with missile defense systems, to Japan later this year. The US Navy will also deploy the USS George Washington, a nuclear-powered aircraft carrier, to Yokosuka in 2008. The commander said there is no problem about its safety.

The recently released QDR report describes that the US Navy will stage at least six carrier battle groups and 60% of its submarines in the Pacific region. The report warns of China, saying the speed and scale of China's military buildup are already jeopardizing the military balance in the region.

10) Foreign Minister: Japan will decide on aid for Palestinian Authority upon ascertaining new government's moves

MAINICHI (Page 3) (Full)
February 16, 2006

Foreign Minister Taro Aso held a phone conversation with his

Israeli counterpart Tzipi Livni yesterday. Regarding assistance for the Palestinian Authority, Aso told Livni: "We will look into the possibility while carefully watching the new government's moves to see if it makes efforts to promote the peace process by peaceful means." Aso indicated that he would call on Hamas, the Islamic extremist group that won a landslide victory in the recent Palestinian council election, to take a down-to-earth approach, such as the suspension of the ongoing arms conflict. Livni replied: "It is necessary for the international community to send a strong message."

11) Chinese Ambassador refutes "China as a threat" argument

MAINICHI (Page 3) (Full)
February 16, 2006

Chinese Ambassador to Japan Wang Yi refuted the "China as a threat" argument yesterday. In a speech at the general assembly yesterday of the Federation of Japan-China Friendship Parliamentary Members, chaired by Masahiko Komura, Wang said in reference to China's surging military spending: "As a result of our lifestyles becoming affluent, considerable personnel costs are needed. The purpose of the presence of our military is to defend our nation and do not constitute a threat to other countries."

12) Prime Minister Koizumi says, "It's only natural" to send message to North Korean leader

ASAHI (Page 4) (Full)
February 16, 2006

Prime Minister Koizumi late yesterday explained why he sent North Korean leader Kim Jong Il a message urging him to resolve outstanding issues to allow diplomatic normalization, saying:

"It's only natural to do so. I'll work to resolve various pending issues in order to normalize diplomatic relations. This policy remains the same. I told our negotiators to convey to the other side and General Secretary Kim Jong Il my desire that they respond in a sincere manner to us."

TOKYO 00000827 008 OF 014

Koizumi was responding to reporters at the Prime Minister's Official Residence.

This remark has made it clear that Koizumi has not given up on dialogue with Pyongyang. He also stated: "We have to resolve both the abduction issue and the nuclear issue."

13) Koizumi says at Lower House Budget Committee session that the government will determine when to remove the second ban on US beef imports after seeing US report

YOMIURI (Page 4) (Full)
February 16, 2006

Prime Minister Junichiro Koizumi indicated in yesterday's House of Representatives Budget Committee session that the government would make a decision on when to resume US beef imports after seeing a US reply. He said: "We will make a decision based on scientific knowledge. The United States (have been trying to determine the cause and crafting preventive measures), and we are waiting for a US response. We are determined to create a system enabling the people to consume beef without worrying about anything." Agriculture, Forestry and Fisheries Minister Shoichi Nakagawa also emphatically said regarding the government's decision in December to lift the import ban: "Japan established a set of solid procedures and the US responded to them swiftly. I don't think the step was hasty."

In the session, the government's step drew criticism from even ruling party members. Liberal Democratic Party lawmaker Koya Nishikawa said, "The government (decided to lift the ban) too hastily. The government's involvement was insufficient." Touching

on the fact that against a cabinet decision, the government failed to carry out inspections in the US prior to lifting the ban, Koji Futada said, "The government should have conducted (inspections in the US), as planned."

Meanwhile, Minshuto (Democratic Party of Japan), based on its own fact-finding survey in the US, urged the government to conduct inspections in the US, indicating that work to remove specific risk materials had not met Japan's safety standards.

Health, Labor and Welfare Minister Jiro Kawasaki simply replied, "We will consider measures after seeing a US report."

14) BSE deliberations at Lower House Budget Committee meeting; Cautious views prevail over resumption of US beef imports; Prime minister says, "I will make a decision based on US replies"

NIHON KEIZAI (Page 5) (Full)
February 16, 2006

The Lower House Budget Committee yesterday intensively discussed the incident of specified risk materials (SRM) being found in a US beef shipment to Japan. A number of lawmakers both from the ruling and opposition parties urged the government to be cautious about resuming imports, some calling for thorough inspections of meatpackers before removing the import ban.

Touching on a government stance toward resumption of US beef imports, Prime Minister Junichiro Koizumi stated, "The government

TOKYO 00000827 009 OF 014

will create a situation in which people can eat safe beef with peace of mind, based on the replies regarding measures to prevent a recurrence to be provided by the US."

Calls for a cautious approach to early resumption of imports were heard both from ruling and opposition party members. Toshikatsu Matsuoka of the Liberal Democratic Party (LDP) stressed, "I will definitely oppose resuming imports, if the government cannot responsibly ascertain that an incident like that one would never happen again." He asked the government "not to leave the inspections of meatpackers to the US alone." Agriculture Minister Shoichi Nakagawa replied, "If there has appeared a situation in which the government judges whether to reinstate beef trade, then it must properly inspect the situation at meat-processing facilities."

The opposition camp continued to pursue the accountability of the government for its decision to lift the import ban last December. Bringing up the issue the government failure to carry out prior inspections despite the mentioning of such a need in its written reply, Hiroshi Kawauchi of the Democratic Party of Japan (Minshuto) pursued the government, saying, "Part of the responsibility rests with Japan." The government's side reiterated, "The responsibility rests with the US, which failed to observe export conditions."

15) Intensive deliberations conducted on US beef issue in Lower House Budget Committee meeting yesterday

ASAHI (Page 4) (Full)
February 16, 2006

The House of Representatives Budget Committee held Intensive deliberations on the US beef issue yesterday. Main exchanges follow:

Koya Nishikawa (LDP): Wasn't the resumption of imports last December too rushed?

Agriculture Minister Nakagawa: I do not deny that the period (until the resumption) was extremely short, as you pointed out. Regarding the Japan-bound export program, though, Japan and the US had exchanged data since (last) May. Both the Japanese and US governments do not think that the decision was made in a rush.

Nishikawa: The World Organization for Animal Health (OIE) is planning to ease standard restrictions on beef imports.

Nakagawa: We would like to respond extremely carefully to any plan that could affect the safety of food in importing countries.

Takashi Shinohara (Minshuto): I am afraid that the Food Safety Committee might be conducting debates, reflecting political agreements, like one reached when US President Bush visited Japan.

State Minister in charge of Food Safety Matsuda: We finalized (the report) based on a neutral and fair stance. It is not correct to assert there were political considerations.

Mitsunori Okamoto (Minshuto): Of the 38 meat-processing facilities authorized to handle Japan-bound meat, how many plants

TOKYO 00000827 010 OF 014

had not violated (the rule on the process of removing specified risk materials (SRM)) in the past?

Health Minister Kawasaki: There were two plants that had never breached the rule.

Okamoto: The rule on removing SRM was not being observed satisfactorily under such a situation.

Kawasaki: We acknowledge that they carried out the process properly in accordance with an order issued to them by the US Agriculture Department to take improvement measures.

Okamoto: During the period between the resumption of US beef imports and the re-imposition of a ban on imports, are there cases in which US beef was used for school meals?

Education Minister Kosaka: A sampling audit was conducted at some schools in February. We have been reported that there was no such case.

Chizuko Takahashi (Japanese Communist Party): American experts have inspected processing plants handling US-bound meat in Japan. It is important for Japan to ask the US to allow such inspections in the US by Japanese experts.

Prime Minister Koizumi: Because the safety standards being adopted by the US are different from Japan's, the US must observe standards that will ensure that the Japanese people can feel safe..

16) Only 2 of 38 US slaughterhouses authorized to export beef to Japan have no record of infractions

ASAHI (Page 4) (Full)
February 16, 2006

During the Lower House Budget Committee's intensive deliberations yesterday on the US beef import issue, Health Minister Kawasaki revealed that the US Department of Agriculture (USDA) had reported to Japan in August 2005 that 36 of the 38 slaughterhouses the US government had authorized as beef exporters to Japan had previously violated anti-BSE measures.

The health minister also acknowledged that slaughterhouses that had violated the BSE measures in the past had been included in the 11 Japan inspected in December 2005 after with its decision to resume US beef imports. But the health minister underscored Japan's judgment that there is no problem with safety.

The minister was replying to questions from Mitsunori Okamoto and Masahiko Yamada of the Democratic Party of Japan (Minshuto).

Health Minister Kawasaki stated:

"(The slaughterhouses that had failed to meet BSE measures) took remedial action and succeeded in properly following the measures,

such as removing specified risk materials. Food safety has been secured accordingly."

He then indicated that certifying such facilities as exporters to Japan had been done afterwards, so there was no problem about the

TOKYO 00000827 011 OF 014

certification process itself.

According to the USDA, there were 1,036 violations of anti-BSE measures from January 2004 through May 2005 at these slaughterhouses.

In the intensive deliberations, asked about the timing of an end to the second ban on US beef imports, Prime Minister Koizumi reiterated his position in a firm tone: "I'll make a decision from a scientific point of view."

17) Are US slaughterhouses safe or dangerous? LDP and DPJ lawmakers exchange barbs

TOKYO SHIMBUN (Page 2) (Full)
February 16, 2006

By Kei Sato

During intensive deliberations yesterday on US beef imports at the Lower House Budget Committee, lawmakers of the Liberal Democratic Party (LDP) and Minshuto (Democratic Party of Japan) exchanged conflicting views about the safety of US slaughterhouses handling Japan-bound beef. Those lawmakers had earlier inspected US slaughterhouses as members of their parties' respective fact-finding teams. The two parties' battle over the beef issue has continued outside the Diet, but yesterday, the scene of the fight shifted to the Budget Committee.

Koya Nishikawa of the LDP was the first to take the floor. He guaranteed the safety of the US slaughterhouses his party had inspected, saying: "As far as we saw, the slaughterhouses we inspected did a good job. I hope the time will come soon when the public is free from fear."

Another LDP lawmaker, Toshikatsu Matsuoka who headed the party's fact-finding team, said proudly, "While I'm not going to say whether what another party is doing is good or bad, we on our part have disclosed results based on fact."

Responding to Matsuoka and others, Prime Minister Koizumi remarked: "I take that very seriously."

Meanwhile, Masahiko Yamada of Minshuto took issue with the safety of beef, directly confronting the position of the LDP inspection team, saying: "I felt America's removal of specified risk materials was inadequate. We, too, are saying what we saw."

Minshuto sent its fact-finding team to the US from late January through early February. Not to be outdone, the LDP sent its own fact-finding team to the US Feb. 9-13 and inspected the same slaughterhouses.

Minshuto President Seiji Maehara criticized the LDP for this at a press conference on Feb. 14, noting: "The LDP seemed to be trying to find fault with (Minshuto's fact-finding inspection) by inspecting the same facilities afterwards. This type of behavior does not serve the public."

After the Budget Committee meeting yesterday, the LDP's information research officer, Sanae Takaichi, held a special press briefing, and in reference to Minshuto's reaction, she

TOKYO 00000827 012 OF 014

emphasized, "Our party members explained that our goal was not to find fault but to conduct an inspection with a critical mind." Exchanges of barbs between the two parties are likely to continue

for a while.

18) Six leading banks forecast 2.8 trillion yen in final profits, first new record in 17 years

NIHON KEIZAI (Top Play) (Excerpts)
February 16, 2006

The six major banking groups are expected to post combined consolidated profits of approximately 2.83 trillion yen for the year ending March 31, 3.8 times greater than the previous year and a new record for the first time in 17 years. The sharp increase is attributable mainly to a rise in income from service fees and the return of loan-loss reserves as extraordinary profit due to the improved business performance of borrowers. The recovery in the financial sector has become clearer, but profits have yet to return to shareholders and depositors.

Ratio of nonperforming loans drops to 2%

The six leading banking groups are Mitsubishi-UFJ, Sumitomo-Mitsui, Mizuho, Resona, Mitsui Trust Holdings, and Sumitomo Trust and Banking. The six groups all revealed their forecasts for the fourth quarter of fiscal 2005 (January-March 2006) following the issuance of their financial reports for the first three quarters. The previous high for combined net profit (after-tax income) of leading banks (major commercial banks, the Long Term Credit Bank, and trust banks) was just over 1.7 trillion yen for the year ending in March 1989.

19) Prime Minister Koizumi citing high approval rates in February rebuts claim that cohesion of his administration has weakened

YOMIURI (Page 4) (Full)
February 16, 2006

Prime Minister Junichiro Koizumi told yesterday Liberal Democratic Party (LDP) Policy Research Council Chairman Hidenao Nakagawa at the Prime Minister's Official Residence:

"Generally, since I assumed office, public approval ratings for the cabinet have been low in February when opposition parties always pursue the government at Diet sessions. The support rate for the cabinet in February this year is the highest ever for February, however."

Koizumi rejected the view prevailing inside and outside the LDP that his cabinet has lost its impetus.

According to the outcomes of this newspaper's public opinion poll, the approval rate for the cabinet was 53.5%, a slightly higher than 53.0% in February 2002 and 47.7% in February 2005.

20) LDP Research Council to write second draft of proposed new constitution, reconsidering such portions as Preamble, Art. 9

TOKYO (Top play) (Excerpt)
February 16, 2006

TOKYO 00000827 013 OF 014

The Liberal Democratic Party's (LDP) Constitutional Research Council (chaired by Hajime Funada) has decided to start composing a second draft constitution that will completely revise the party's new draft constitution written last November. It was judged that revising the first draft was desirable due to the strong-seated dissatisfaction within the party that the draft lacked "LDP features" such as the Preamble, national security provisions, rights, and obligations. In relation to the project, Funada in an interview to this newspaper stated, "We consider the current version as the first draft, but the second draft with additions will be the one that we battle over."

21) New Komeito changes minimum age for granting voting rights for referendum bill to 18 or older

The constitutional research panel of the New Komeito, chaired by Hiroaki Ota, decided yesterday to change the minimum age for granting voting rights from 20 years to 18 years, a key issue of a national referendum bill stipulating a set of procedures for amending the Constitution. The party aims to move ahead with negotiations with its ruling coalition partner Liberal Democratic Party (LDP) and the main opposition party Minshuto (Democratic Party of Japan), which has strongly called for setting the minimum age at 18 years.

The LDP and New Komeito formulated the framework of a referendum bill in 2004, which wrote that the minimum age for granting voting rights should be 20. A flexible view is now cropping up in the LDP, with Constitutional Research Commission Chairman Hajime Funada remarking, "We have wisdom that the main rules would stipulate that the minimum age should be 18 but an additional rule would write that the minimum age should be 20 until the Public Offices Election Law is revised to change that age to 18."

However, some are concerned that it would be technically difficult to make a list of voters that is different from the list of voters created based on the election law.

22) "We're Baseball Children (WBC)"; WBC (pun on World Baseball Classic) also in political world; LDP rookies form team, ready to play US embassy

NIKKAN SPORTS SHIMBUN
February 13, 2006

Hachisankai or 83-kai-a group of the ruling Liberal Democratic Party's rookie lawmakers elected to the House of Representatives in September last year for the first time-has formed a baseball team named "Liberty 83" and will play the US embassy at Tokyo Dome on March 15 for friendship, sources said yesterday.

Yoshitami Kameoka, 50, a member of the House of Representatives, will be the field manager of Liberty 83. In his Sakushin Gakuin High School days, Kameoka was in a battery with Suguru Egawa (who was a "monstrous" ace pitcher, later joined the Yomiuri Giants, and is now a TV sportscaster and commentator), and he experienced an annual national high school baseball tourney at Koshien Stadium. According to Kameoka, the US embassy hosted a get-together gathering last year with newly elected lawmakers. US

TOKYO 00000827 014 OF 014

Ambassador to Japan Thomas Schieffer, 58, who greeted those first-time lawmakers invited to the embassy, was a co-owner of the Texas Rangers with US President Bush and others from 1989 to 1994. In the meeting, they naturally began talking about baseball. Kameoka explains: "The ambassador said, 'If you have 83 people (82 at present with Kazumi Matsumoto's resignation from his Diet seat), why don't you form a baseball team? Let's play a friendship game with our team.'" Kameoka accepted the envoy's offer.

Kameoka invited his buddies in the LDP to join. There are 30 entries for now. Unlike Kameoka, none of them appeared at Koshien. But some of them used to play baseball. Female lawmakers have offered to cheer the team, according to Kameoka. The LDP rookies and the US embassy will play a 7-inning rubber-ball game. In a sense of buoying up their spirits, the game is scheduled to coincide with the World Baseball Classic, an international baseball event involving Japan and the United States. Japan and the United States are now soured over the US government's cattle testing methodology for BSE in connection with Japan's ban on US beef imports. However, Kameoka voiced his willingness. "In baseball," he said, "we want to play fair by the rules."

In the meantime, Taizo Sugimura, 26, also an LDP freshman, made fun of 83-kai, calling it "something like a homeroom of school kids." Kameoka yelled for Sugimura to join the team. "He's working for 'NEETs' (young people not in education, employment or

training) and 'freeters' (job-hoppers), so I want him to join us and listen to many people," Kameoka says. However, there is no response from Sugimura for now, according to Kameoka.

Profile: Yoshitami Kameoka, born in Tochigi Prefecture in 1955, graduated from Waseda University. He once appeared at Koshien Stadium as a catcher when he was in Sakushin Gakuin High School. He also played for the baseball club of Kumagai Gumi Co., Ltd. in an intercity baseball tournament and later became an assistant manager of Waseda University's baseball club. He is an adopted son of his uncle, the late Takao Kameoka, who served as agriculture, forestry, and fisheries minister and construction minister. He aspired to become a politician. He first ran in the 1990 general election and was defeated four times. In 2005, however, he was elected to the Diet for the first time. His home turf is Fukushima Prefecture's District 1.

SCHIEFFER